

7/10/11

PREPARED BY: Doug Gibbs  
DATE PREPARED: March 08, 2011  
PHONE: 402-471-0051

LB 560

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$62,377,000		\$84,200,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$62,377,000		\$84,200,000

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 560 amends Nebraska Revised Statute Section 77-2701.16 to change the definition of gross receipts, and thereby impose a sales tax, on the following services:

- repair or maintenance labor on motor vehicles;
- personal care services, including hair care, personal grooming, skin care, and nail care;
- funeral services, including burial services, and cremation services;
- dating services;
- cleaning of clothing and other personal items;
- storage of tangible personal property;
- waste hauling, waste disposal, and recycling services;
- motor vehicle parking, onstreet or offstreet;
- landscaping services, yard maintenance; seed planting, and snow removal.

The bill has an operative date of October 1, 2011.

The Department of Revenue estimates the following impact to the General Fund as a result of LB 560:

Service:	FY2011-12:	FY2012-13:	FY2013-14:	FY2014-15:
Personal Care Services:	\$ 7,164,000	\$ 9,670,000	\$ 9,794,000	\$ 9,936,000
Funeral & Associated Services:	\$ 4,538,000	\$ 6,126,000	\$ 6,205,000	\$ 6,295,000
Dating Services:	\$ 312,000	\$ 421,000	\$ 427,000	\$ 433,000
Clothes Cleaning Services:	\$ 4,899,000	\$ 6,613,000	\$ 6,698,000	\$ 6,795,000
Property Storage:	\$ 620,000	\$ 837,000	\$ 847,000	\$ 860,000
Waste Hauling & Associated Services:	\$12,769,000	\$17,236,000	\$17,458,000	\$17,711,000
Parking:	\$ 1,062,000	\$ 1,433,000	\$ 1,452,000	\$ 1,473,000
Landscaping & Associated Services:	\$ 9,635,000	\$13,006,000	\$13,174,000	\$13,365,000
Auto Repair & Maintenance:	\$21,378,000	\$28,858,000	\$29,229,000	\$29,653,000
<b>TOTAL:</b>	<b>\$62,377,000</b>	<b>\$84,200,000</b>	<b>\$85,284,000</b>	<b>\$86,521,000</b>

The Department estimates the cost to implement LB 560 to be minimal.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.

### IMPACT TO POLITICAL SUBDIVISIONS:

There would be a proportional increase in revenues to those entities with the Local Option Sales Tax, which would be dependent on the existence and number of these services in those localities.

### DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	3/9/11	PHONE	471-2526
COMMENTS DEPT. OF REVENUE – No basis upon which to disagree with the Department's analysis.					

**LB 560**

**Fiscal Note 2011**

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**State Agency Estimate**

State Agency Name: Department of Revenue		Date Due LFA: 1/26/2011			
Approved by: Douglas Ewald		Phone: 471-5700			
Date Prepared: 1/24/2011					
FY 2011-2012		FY 2012-2013		FY 2013-2014	
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$62,377,000		\$84,200,000		\$85,284,000
Cash Funds					
Federal Funds					
Other Funds					
<b>Total Funds</b>	<b>\$62,377,000</b>		<b>\$84,200,000</b>		<b>\$85,284,000</b>

LB 560 amends the definition of gross receipts to include the following services: repair labor on motor vehicles, personal care, death care, dating service, clothing cleaning, storage of tangible personal property, waste hauling and disposal, recycling, on- and off-street parking, landscaping, yard maintenance, seed planting, and snow removal. The operative date of the bill is October 1, 2011.

The bill would increase revenue to the General Fund by the following amounts:

Service	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
<b>Personal Care</b>	\$7,164,000	\$9,670,000	\$9,794,000	\$9,936,000
<b>Death care</b>	\$4,538,000	\$6,126,000	\$6,205,000	\$6,295,000
<b>Dating services</b>	\$312,000	\$421,000	\$427,000	\$433,000
<b>Clothes cleaning</b>	\$4,899,000	\$6,613,000	\$6,698,000	\$6,795,000
<b>Property storage</b>	\$620,000	\$837,000	\$847,000	\$860,000
<b>Waste management</b>	\$12,769,000	\$17,236,000	\$17,458,000	\$17,711,000
<b>Parking</b>	\$1,062,000	\$1,433,000	\$1,452,000	\$1,473,000
<b>Landscaping</b>	\$9,635,000	\$13,006,000	\$13,174,000	\$13,365,000
<b>Auto repair labor (includes body work)</b>	\$21,378,000	\$28,858,000	\$29,229,000	\$29,653,000
<b>Total</b>	<b>\$62,377,000</b>	<b>\$84,200,000</b>	<b>\$85,284,000</b>	<b>\$86,521,000</b>

Departmental cost to implement LB 560 is expected to be minimal.

Major Objects of Expenditure							
Class Code	Classification Title	11-12 FTE	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures
	Benefits.....						
	Operating Costs.....						
	Travel.....						
	Capital Outlay.....						
	Aid.....						
	Capital Improvements.....						
	<b>Total.....</b>						